

ELKHORN VALLEY PACKING LLC

101 Central Ave
Harper, KS 67058

P: 620-896-2300
F: 620-896-2161

April 6, 2006

Larry Meadows
Chief, USDA, AMS, LS MCG Branch
Stop 0248, Room 2628-S,
1400 Independence Avenue, SW.
Washington, DC 20250-0248

Dear Mr. Meadows,

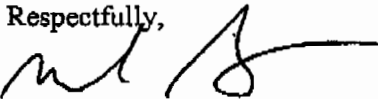
In regards to 7 CFR part 54, RIN 0581-AC49, proposed rule published on 3/29/06, I would like to submit my comments for your review on this matter. I am an operator of a small beef packing company in Wellington and Harper, Kansas. (EST. 19549 and 19549A) I am sure that you are aware of the market conditions that have plagued our industry in the wake of BSE. Nine beef plants have closed since BSE was discovered in December of 2003. Small plants have been particularly vulnerable due to their lack of diversity.

Larger companies with plants in other countries or interests in other competing meat sectors have gained an advantage by being able to hedge their losses. The larger companies have always had an advantage on smaller packers in regards to costs. Large company plant utilization, due to advanced automation and huge volume has made expenses, such as meat grading considerably more cost effective on a per head or per pound basis.

AMS provides a very beneficial service to packers of all sizes. I currently market commercial, utility, select, choice and prime products to my customers. Our challenge has been to remain competitively priced at such a small size. We slaughter approximately 200 head per day. Due to our remote location we are required to pay a full time commitment. Our AMS grader grades cattle about 3-4 hours a day. I have no complaints about the quality of service that I have received. It has become a "caught between a rock and a hard place" scenario.

We require the services of an AMS grader to stay in business. However, the current costs of AMS services have become crippling during lean times. I am asking that AMS postpone their request for an increase in rates. Postponing such an increase until the beef packing industry shows a solid recovery may prove to be beneficial for all parties involved. If AMS deems my request impossible, I would like to request assistance or relief for small facilities.

Respectfully,



Mike Grant
President